

South Australian Housing Trust

Financial report
for the year ended
30 June 2021



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To the Chief Executive South Australian Housing Trust

Opinion

I have audited the financial report of the South Australian Housing Trust for the financial year ended 30 June 2021.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the South Australian Housing Trust as at 30 June 2021, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The consolidated financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2021
- a Statement of Financial Position as at 30 June 2021
- a Statement of Changes in Equity for the year ended 30 June 2021
- a Statement of Cash Flows for the year ended 30 June 2021
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, the Chief Executive and the Chief Financial Officer.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the South Australian Housing Trust and its controlled entities. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Chief Executive and members of the Board for the financial report

The Chief Executive is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Chief Executive is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

The members of the Board are responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 27(4) of the *South Australian Housing Trust Act 1995*, I have audited the financial report of the South Australian Housing Trust for the financial year ended 30 June 2021.

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the South Australian Housing Trust's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive
- conclude on the appropriateness of the Chief Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Chief Executive and members of the Board about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Andrew Richardson

Auditor-General

22 September 2021

**SOUTH AUSTRALIAN
HOUSING TRUST**

FINANCIAL STATEMENTS

FOR THE PERIOD

1 July 2020 TO 30 June 2021

INTERNAL REPRESENTATION LETTER

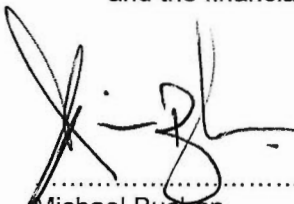
TO THE MEMBERS OF THE SOUTH AUSTRALIAN HOUSING TRUST

We, the undersigned, hereby certify that:

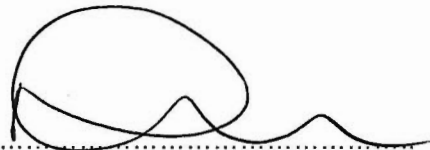
- (a) the attached General Purpose Financial Statement has been prepared pursuant to the *South Australian Housing Trust Act 1995*, the *South Australian Co-operative and Community Housing Act 1991 (SACCH Act)*, and the *Community Housing Providers (National Law) (South Australia) Act 2013* and presents fairly, in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987*, applicable Australian Accounting Standards and other mandatory professional reporting requirements in South Australia, the financial position of the South Australian Housing Trust as at 30 June 2021, its financial performance and its cash flows for the reporting period;
- (b) the attached financial statements are in accordance with the accounts and records of the Trust and give an accurate indication of the financial transactions of the authority for the reporting period; and
- (c) the internal controls over financial reporting have been effective for the reporting period.

We have taken the necessary action to ensure that:

- (a) all known debts have been written-off and an adequate impairment loss was made;
- (b) all current assets have been recorded at amounts not exceeding the values which, in the ordinary course of business, they may be expected to realise;
- (c) all non-current assets are shown at amounts not exceeding their replacement costs as at 30 June 2021, having regard to their value to the Trust as a going concern;
- (d) the financial statements and accompanying notes contain sufficient detailed information and explanations to prevent them from being misleading by reason of the over-statement of the values of assets or the understatement of liabilities; and
- (e) the financial statements give an accurate indication of the financial position as at the reporting date and the financial performance and cash flows for the reporting period.



.....
Michael Buchan
Chief Executive
South Australian Housing Trust



.....
Nicholas Symons
Chief Financial Officer
South Australian Housing Trust

Dated: 16 September 2021

Dated: 16 September 2021

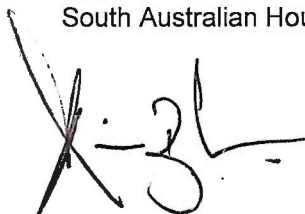
CERTIFICATION OF THE FINANCIAL STATEMENTS

We certify that the:

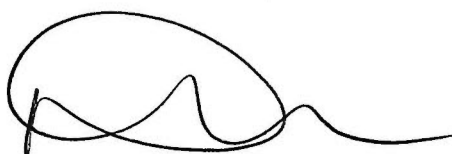
- financial statements of the South Australian Housing Trust:
 - are in accordance with the accounts and records of the Trust;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Trust at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by South Australian Housing Trust for the financial year over its financial reporting and its preparation of financial statements have been effective.



Gary Storkey
Chair
South Australian Housing Trust Board



Michael Buchan
Chief Executive
South Australian Housing Trust



Nicholas Symons
Chief Financial Officer
South Australian Housing Trust

Date... 16 September 2021

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Income			
Rental income	2.1	245 734	249 408
SA Government grants, subsidies and transfers	2.2	25 462	15 569
Recoveries	2.3	23 801	27 181
Interest revenue	2.4	1 096	7 645
Commonwealth-sourced grants and funding	2.5	618	628
Resources received free of charge	2.6	-	725
Net gain from disposal of property, plant and equipment	2.7	19 097	6 910
Other revenue	2.8	20 002	5 177
Total income		335 810	313 243
Expenses			
Employee benefits expenses	3.3	78 085	77 364
Rental property expenses	4.1	330 282	399 103
Grants and subsidies	4.2	99 548	99 034
Depreciation and amortisation	4.3	98 692	93 309
Supplies and services	4.4	42 976	47 325
Impairment expenses	4.5	24 708	21 062
Business services fees	4.6	4 005	4 443
Borrowing costs	4.7	396	69
Total Expenses		678 692	741 709
Net result before income tax equivalent		(342 882)	(428 466)
Net result after income tax equivalent		(342 882)	(428 466)
Other Comprehensive Income			
<i>Items that will not be reclassified to net result</i>			
Changes in property, plant and equipment asset revaluation surplus		206 373	280 119
Total comprehensive result		(136 509)	(148 347)

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Current Assets			
Cash and cash equivalents	6.1	37 810	108 075
Receivables	6.2	33 032	23 786
Other financial assets	6.3	474 897	803 614
Inventories	5.5	129 025	132 717
Non-current assets classified as held for sale	5.6	5 636	2 620
Total Current Assets		680 400	1 070 812
Non-Current Assets			
Receivables	6.2	5 727	438
Inventories	5.5	27 107	8 991
Property, plant and equipment	5.1	10 848 506	10 676 510
Intangible assets	5.4	35 446	33 256
Total Non-Current Assets		10 916 786	10 719 195
Total Assets		11 597 186	11 790 007
Current Liabilities			
Payables	7.1	59 964	272 758
Employee benefits liability	3.4	11 825	12 248
Financial liabilities	7.2	3 034	512
Provisions	7.3	412	318
Other liabilities	7.4	14 764	14 536
Total Current Liabilities		89 999	300 372
Non-Current Liabilities			
Payables	7.1	1 429	1 637
Employee benefits liability	3.4	15 204	17 658
Financial liabilities	7.2	27 948	339
Provisions	7.3	1 138	963
Other liabilities	7.4	101	503
Total Non-Current Liabilities		45 820	21 100
Total Liabilities		135 819	321 472
Net Assets		11 461 367	11 468 535
Equity			
Retained earnings		3 084 334	3 353 608
Asset revaluation surplus	8.1	7 781 388	7 648 623
Contributed capital		595 645	466 304
Total Equity		11 461 367	11 468 535
The total equity is attributable to the SA Government as owner			
Unrecognised Contractual Commitments	10.1		
Contingent Assets and Liabilities	10.2		

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2021

	Note No.	Contributed Capital \$'000	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
Balance as at 30 June 2019		225 705	7 443 017	3 707 561	11 376 283
Net Result for 2019-20		-	-	(428 466)	(428 466)
Revaluation of property during 2019-20					
Movement in rental houses due to revaluation:					
- Transferred to Capital Works		-	(2 914)	-	(2 914)
- Subject to sales contracts		-	(2 571)	-	(2 571)
Increment in freehold land and buildings due to revaluation	5.2	-	285 604	-	285 604
Total Comprehensive Result for 2019-20		-	280 119	(428 466)	(148 347)
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(74 513)	-	(74 513)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	74 513	74 513
Total transfer between equity components 2019-20		-	(74 513)	74 513	-
Equity contribution received	2.2	240 599	-	-	240 599
Total transfer between SA Government as owner 2019-20		240 599	-	-	240 599
Balance as at 30 June 2020		466 304	7 648 623	3 353 608	11 468 535
Net Result for 2020-21		-	-	(342 882)	(342 882)
Revaluation of property during 2020-21					
Movement in rental houses due to revaluation:					
- Transferred to Capital Works		-	(4 588)	-	(4 588)
- Subject to sales contracts		-	843	-	843
Increment in freehold land and buildings due to revaluation	5.2	-	210 118	-	210 118
Total Comprehensive Result for 2020-21		-	206 373	(342 882)	(136 509)
Transfer to retained earnings of increment realised on sale of freehold land and buildings		-	(73 608)	-	(73 608)
Realisation of asset revaluation surplus on sale of freehold land and buildings		-	-	73 608	73 608
Total transfer between equity components 2020-21		-	(73 608)	73 608	-
Equity contribution received	2.2	129 341	-	-	129 341
Total transfer between SA Government as owner 2020-21		129 341	-	-	129 341
Balance as at 30 June 2021		595 645	7 781 388	3 084 334	11 461 367

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2021

	Note No.	2021 \$'000	2020 \$'000
Cash flows from Operating Activities			
Cash Inflows			
Receipts from SA Government grants, subsidies and transfers		25 462	15 569
Rent received		232 850	243 114
Recoveries received		25 914	24 713
Other receipts		20 341	5 232
Receipts from Commonwealth-sourced grants		618	628
Interest received		1 315	7 902
Proceeds from sale of property		110 731	97 399
Receipts for Paid Parental Leave Scheme		127	47
GST receipts from the DHS		24 364	7 269
Cash generated from operations		441 722	401 873
Cash Outflows			
Staffing costs		(80 985)	(75 798)
Supplies and services		(58 201)	(41 588)
Business services fee		(4 005)	(4 443)
Rental property payments		(198 265)	(186 174)
Grants and subsidies		(109 723)	(110 959)
Land tax equivalents paid		(353 677)	(49 084)
Development costs		(129 000)	(109 120)
Cash used in operations		(933 856)	(577 166)
Net Cash provided by/(used in) Operating Activities	8.2	(492 134)	(175 293)
Cash flows from Investing Activities			
Cash Outflows			
Purchase of property, plant and equipment		(26 818)	(4 878)
Purchase of intangibles		(2 773)	(14 622)
Affordable assist payments		(4 756)	(340)
Cash used in investing activities		(34 347)	(19 840)
Net Cash used in Investing Activities		(34 347)	(19 840)
Cash flows from Financing Activities			
Cash Inflows			
Capital contributions from SA Government		129 341	240 599
Cash generated from financing activities		129 341	240 599
Cash Outflows			
Repayment of principal portion of leases liabilities		(1 842)	-
Cash used in financing activities		(1 842)	-
Net Cash provided by Financing Activities		127 499	240 599
Net Increase/(Decrease) in Cash Held		(398 982)	45 466
Cash at the Beginning of the Financial Year		911 689	866 223
Cash at the End of the Financial Year	8.2	512 707	911 689

The accompanying notes form part of these financial statements.

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Note 1 About the South Australian Housing Trust

The South Australian Housing Trust (the Trust) is the State's principal housing authority. The Trust's roles and powers are based on the *South Australian Housing Trust Act 1995* (the Act), the *South Australian Co-operative and Community Housing Act 1991* (SACCH Act), *Housing Improvement Act 2016*, and the *Community Housing Providers (National Law) (South Australia) Act 2013*.

As per Section 8 of the Act, the Trust is subject to the control and direction of the Minister for Human Services. The Board of the Trust is responsible to the Minister for overseeing the operations of the Trust with the goals of:

- ensuring the sound administration of the Act and the implementation of the Minister's housing policies and plans
- achieving continuing improvements in the provision of secure and affordable public housing (subsection 16(1)(a))
- providing transparency and value in managing the resources available to the Trust and meeting Government and community expectations as to probity and accountability (subsection 16(1)(b))
- achieving appropriate social justice objectives and the fulfilment of the Trust's community service obligations (subsection 16(1)(c))

The financial statements and accompanying notes include all the controlled activities of the Trust (refer to the disaggregated disclosures for details of the Trust's controlled activities).

1.1 Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the purposes of preparing the financial statements, the Trust is a not-for-profit entity. The financial statements are prepared based on a 12-month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

In accordance with section 25 of the Act, the Trust may be required to pay to the State Government tax equivalents. Tax Equivalent Payments are required in respect of income tax and land tax equivalents.

In determining its income tax equivalent commitments, the Trust utilises the accounting profit model. Under this model, income tax expense is calculated by applying the company income tax rate (currently 30%) to the accounting profit for the year, adjusted for any items approved by the Under Treasurer for exclusion from the profit figure. Treasury reimburses the full cost of an Income Tax Expense resulting in a nil effect of these payments on the net result.

Land Tax equivalent is partially reimbursed by the State Government as part of a budget arrangement.

The Trust is liable for the cost of Payroll Tax, Fringe Benefits Tax, Stamp Duty and Goods and Services Tax (GST).

With respect to GST, the Trust is part of a GST group of which the nominated representative of the group is the Department of Human Services (DHS), which is responsible for paying GST on behalf of the Trust and is entitled to claim input tax credits. Administrative arrangements between DHS and the Trust provide for the reimbursement of the GST consequence incurred/earned by the Trust. The reimbursement receivable from/payable to the Trust has been recognised as a payable/receivable in the Statement of Financial Position.

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Where asset and liability line items combine amounts expected to be realised within 12 months and more than 12 months, the Trust has separately disclosed the amounts expected to be recovered or settled after more than 12 months.

1.2 Objectives and programs

The objectives of the Trust include the provision of affordable and appropriate housing to households and families on low to moderate incomes, including provision of public and Aboriginal housing, affordable home purchase opportunities, provision of homelessness services, private rental assistance and support services, and the funding and regulation of Community Housing.

The Trust's governing Board of Management (the Board) is responsible to the Minister for overseeing the operations of the Trust.

Trust operations have been organised into the following business activities:

Public Housing

The Trust is responsible for the management of public housing tenancies and assets. Managing tenancies includes allocation of public houses to those meeting eligibility criteria, tenancy management and provision of rental subsidies.

Managing assets includes maintenance, area regeneration and urban renewal programs, stock replacement programs (construction, purchase and disposal), modification of houses for those with disability, security provisions for people experiencing domestic or family violence, and strategic management and planning for future public housing stock needs.

Community Housing

The Trust is responsible for the development, support and promotion of programs or other initiatives within the community housing sector, including administering the *South Australian Co-operative and Community Housing Act 1991* and the *Community Housing Providers (National Law) (South Australia) Act 2013*, and assisting in the establishment, regulation and administration of Housing Co-operatives and Housing Associations in South Australia.

Aboriginal Housing (SOMIH)

The Trust is responsible for managing State Owned and Managed Indigenous Housing (SOMIH) across South Australia. Activities related to managing SOMIH are similar to those undertaken to manage public housing.

Aboriginal Community Housing

The Trust supports the management of tenancies and housing assets within specific Indigenous communities. Activity under this program aims to address issues of overcrowding in remote Indigenous communities by increasing the supply of new houses, improving the condition of existing houses and ensuring ongoing maintenance and management of rental houses in remote Indigenous communities.

Homelessness and Support Services

The Trust is responsible for supporting the homelessness services sector to enable more integrated and responsive service provision. This includes the funding of the Emergency Accommodation Program, special program tenancy support, and the funding and governance of the Homelessness sector.

Private Rental Assistance and Housing Advice

The Trust is responsible for the provision of financial assistance, information, referral, advocacy and advice to assist households who are experiencing instability, poverty, or housing difficulty in the private rental market. This includes assessments and eligibility checking, options appointments, and managing the public and community housing waitlist.

Affordable Housing

The Trust supports the growth of affordable housing, including facilitating outcomes through the planning system, working with the financial sector to address barriers to home ownership and administering programs encouraging affordable housing.

Specialised Housing Programs

The Trust partners with government, non-government organisations and community housing providers registered under the National Regulatory System for Community Housing to provide housing for target cohorts. Specialised housing programs address the needs of people who are homeless, have disability or are disadvantaged. Activities include asset management and head leasing administration.

Staff members employed by the Trust undertake work as required by the *Housing Improvement Act 2016*, including the regulation of housing to ensure it meets prescribed minimum standards for safety and suitability.

Housing System Advisory Services

The Trust leads the promotion and development of the social housing sector, which includes furthering the Government's strategies to address the key issues of affordable housing and homelessness as well as promoting innovation. We partner with private sector organisations and other government agencies on initiatives that contribute to strengthening South Australia's housing system, including the provision of targeted, multi-agency responses.

This activity also supports the provision of information and advice to the Minister for Human Services.

Emergency Relief Support

The Trust is the lead agency responsible for the Emergency Relief Functional Support Group (ERFSG), at the direction of the SA Government, under the state emergency management arrangements. The ERFSG delivers relief and recovery services for the affected community during and after an emergency/disaster (e.g. bushfire, flood or earthquake).

In 2020-21, this included the set up of a COVID-19 Relief Call Centre, and recovery centres in Kangaroo Island and Lobethal in the continuation of recovery efforts from the 2019-20 bushfires.

The tables on the following pages presents expenses, income, assets and liabilities attributable to each program.

DISAGGREGATED DISCLOSURES - EXPENSES AND REVENUES

For the Year Ended 30 June 2021

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Income											
Rental income	219 595	13 074	3 557	3 239	-	-	-	6 269	-	-	245 734
SA Government grants, subsidies and transfers	9 307	4 000	-	1 000	3 984	-	-	-	-	7 171	25 462
Recoveries	17 035	96	606	84	104	4 538	52	649	275	362	23 801
Interest revenue	259	67	81	106	149	54	85	33	237	25	1 096
Commonwealth-sourced grants and funding	-	-	-	-	618	-	-	-	-	-	618
Net gain from disposal of property, plant and equipment	8 923	6 702	(2 362)	(2)	(5)	(4)	5 849	20	(19)	(5)	19 097
Other revenue	11 016	1 066	424	502	870	2 058	586	528	2 415	537	20 002
Total income	266 135	25 005	2 306	4 929	5 720	6 646	6 572	7 499	2 908	8 090	335 810
Expenses											
Employee benefits expenses	31 618	5 352	1 455	3 261	6 796	3 343	2 015	1 206	18 865	4 174	78 085
Rental property expenses	280 433	21 685	11 629	6 899	17	4	158	9 428	18	10	330 281
Grants and subsidies	113	574	208	998	80 020	6 845	6 939	5	64	3 783	99 549
Depreciation and amortisation	52 538	24 822	2 825	11 841	559	317	211	3 620	1 624	335	98 692
Supplies and services	19 397	1 551	1 029	3 389	2 640	1 429	2 504	1 798	7 189	2 050	42 976
Impairment expenses	11 200	919	618	5 590	203	472	3 963	1 054	564	125	24 708
Business services fees	1 793	232	90	133	250	273	268	117	690	159	4 005
Borrowing costs	161	25	8	17	34	17	14	7	93	20	396
Net Result	397 253	55 160	17 862	32 128	90 519	12 700	16 072	17 235	29 107	10 656	678 692
	(131 118)	(30 155)	(15 556)	(27 199)	(84 799)	(6 054)	(9 500)	(9 736)	(26 199)	(2 566)	(342 882)

DISAGGREGATED DISCLOSURES - EXPENSES AND REVENUES

For the Year Ended 30 June 2020

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Income											
Rental income	217 632	12 879	10 303	2 951	-	-	-	5 643	-	-	249 408
SA Government grants, subsidies and transfers	1 381	404	105	366	1 970	412	350	150	882	9 549	15 569
Recoveries	17 774	297	1 342	426	134	6 676	49	124	304	55	27 181
Interest revenue	2 261	659	172	597	822	672	574	244	1 440	204	7 645
Commonwealth-sourced grants and funding	-	-	-	-	628	-	-	-	-	-	628
Resources received free of charge	546	-	29	-	-	-	128	22	-	-	725
Net gain from disposal of property, plant and equipment	5 276	49	151	(2)	(5)	(4)	1 249	211	(13)	(2)	6 910
Other revenue	3 549	10	318	8	6	1 064	193	13	13	3	5 177
Total income	248 419	14 298	12 420	4 346	3 555	8 820	2 543	6 407	2 626	9 809	313 243
Expenses											
Employee benefits expenses	33 927	2 507	1 653	3 190	7 326	3 754	1 528	1 404	18 484	3 591	77 364
Rental property expenses	326 836	33 464	18 480	7 427	11	7	119	12 724	29	6	399 103
Grants and subsidies	56	834	3	233	75 134	10 224	7 797	2	29	4 722	99 034
Depreciation and amortisation	53 212	22 121	2 764	10 199	286	163	55	3 688	699	122	93 309
Supplies and services	21 111	993	1 021	4 502	3 252	1 742	1 000	1 717	7 281	4 706	47 325
Impairment expenses	10 404	37	899	3 843	-	3 914	1 680	285	-	-	21 062
Business services fees	2 288	165	109	133	255	478	128	106	654	127	4 443
Borrowing costs	31	1	4	2	7	3	1	1	16	3	69
Total Expenses	447 865	60 122	24 933	29 529	86 271	20 285	12 308	19 927	27 192	13 277	741 709
Net Result	(199 446)	(45 824)	(12 513)	(25 183)	(82 716)	(11 465)	(9 765)	(13 520)	(24 566)	(3 468)	(428 466)

DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

For the Year Ended 30 June 2021

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000
Assets											
Cash and cash equivalents *	37 810	-	-	-	-	-	-	-	-	-	37 810
Receivables	32 205	278	523	5	-	-	5 727	21	-	-	38 759
Other financial assets *	474 897	-	-	-	-	-	-	-	-	-	474 897
Inventories	125 656	29 525	951	-	-	-	-	-	-	-	156 132
Non-current assets classified as held for sale *	5 636	-	-	-	-	-	-	-	-	-	5 636
Property, plant and equipment	6 431 516	3 266 739	388 025	285 661	16	-	11 204	464 518	-	827	10 848 506
Intangible assets *	35 446	-	-	-	-	-	-	-	-	-	35 446
Total Assets	7 143 166	3 296 542	389 499	285 666	16	-	16 931	464 539	-	827	11 597 186
Liabilities											
Payables *	61 393	-	-	-	-	-	-	-	-	-	61 393
Employee benefits liability	10 945	1 853	504	1 129	2 352	1 157	697	417	6 530	1 445	27 029
Financial liabilities	30 857	-	5	49	16	-	-	30	-	25	30 982
Provisions *	1 550	-	-	-	-	-	-	-	-	-	1 550
Other liabilities *	14 865	-	-	-	-	-	-	-	-	-	14 865
Total Liabilities	119 610	1 853	509	1 178	2 368	1 157	697	447	6 530	1 470	135 819

* These items have been attributed wholly to Public Housing as it was not possible to reliably attribute across other programs.

DISAGGREGATED DISCLOSURES - ASSETS AND LIABILITIES

For the Year Ended 30 June 2020

	Public Housing	Community Housing	Aboriginal Housing (SOMIH)	Aboriginal Community Housing	Homelessness and Support Services	Private Rental Assistance	Affordable Housing	Specialised Housing Programs	Housing System Advisory Services	Emergency Relief Support	Total
	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000	2020 \$'000
Assets											
Cash and cash equivalents *	108 075	-	-	-	-	-	-	-	-	-	108 075
Receivables	22 960	278	523	5	-	-	438	20	-	-	24 224
Other financial assets *	803 614	-	-	-	-	-	-	-	-	-	803 614
Inventories	130 897	9 713	1 098	-	-	-	-	-	-	-	141 708
Non-current assets classified as held for sale *	2 620	-	-	-	-	-	-	-	-	-	2 620
Property, plant and equipment	6 808 094	2 764 905	391 095	247 561	23	-	265	463 514	-	1 053	10 676 510
Intangible assets *	33 256	-	-	-	-	-	-	-	-	-	33 256
Total Assets	7 909 516	2 774 896	392 716	247 566	23	-	703	463 534	-	1 053	11 790 007
Liabilities											
Payables	272 930	-	1 459	6	-	-	-	-	-	-	274 395
Employee benefits liability	13 115	969	639	1 233	2 832	1 451	591	543	7 145	1 388	29 906
Financial liabilities	695	-	8	115	23	-	-	10	-	-	851
Provisions *	1 281	-	-	-	-	-	-	-	-	-	1 281
Other liabilities *	15 039	-	-	-	-	-	-	-	-	-	15 039
Total Liabilities	303 060	969	2 106	1 354	2 855	1 451	591	553	7 145	1 388	321 472

* These items have been attributed wholly to Public Housing as it was not possible to reliably attribute across other programs.

1.3 Impact of COVID-19 pandemic on the Trust

In response to the outbreak of COVID-19, a major emergency was declared in South Australia on 22 March 2020 under the *Emergency Management Act 2004*. The COVID-19 pandemic has impacted on the operations of the Trust and the impacts are included under the relevant disclosure notes. The key impacts in 2020-21 were:

- A COVID-19 Relief Call Centre was set up to help people affected by the COVID-19 emergency. The call center provided information and assistance with such things as:
 - personal hardship support
 - advice on short-term accommodation options for people unable to achieve self-quarantining or self-isolation
 - accommodation for emergency services personnel who are required to quarantine but unable to do so at home.
- Emergency accommodation was provided for people who were required to self-isolate but were rough sleeping. This included support from outreach services and assistance with meals.
- Funding to Specialist Homelessness Services to provide case management support to those rough sleepers in emergency accommodation to transition to longer term sustainable accommodation.
- Accommodation and transport for Indigenous community members required to quarantine prior to returning to remote communities.

\$3.744 million in total was incurred as a result of the Trust's response to the COVID-19 pandemic and the Trust has received \$4.808 million funding from the Department of Treasury and Finance.

1.4 Significant transactions with government related entities

The Trust had the following significant transactions with government:

- Business services fees totalling \$4.005 million include payments made to DHS, Renewal SA (RSA) and Shared Services SA for these services and functions under the Service Level Administrative Arrangements (SLAA's) (note 4.6);
- water rates payments of \$27.477 million to South Australian Water Corporation (note 4.1),
- land tax equivalent payments of \$139.177 million to Revenue SA (note 4.1),
- grant funding received of \$25.462 million and an equity contribution of \$129.341 million from the Department of Treasury and Finance (note 2.2),
- All accommodation service payments relate to arrangements with the Department for Infrastructure and Transport (DIT) and Department for Child Protection (DCP). Expenses for these items are listed in note 4.4.

Note 2 Income

This section presents the sources and amounts of income recognised by the Trust and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

2.1 Rental income

	2021	2020
	\$'000	\$'000
Rent received/receivable from entities external to the SA Government		
Market rent income	419 512	433 674
less rental rebates	(190 037)	(199 507)
Other rent	16 259	15 241
Total rental income	245 734	249 408

Rent receivable in respect of each property is recognised as revenue and charged to tenants weekly, in advance.

The Trust determines a market rent for each property, structured on the basis of regional rental markets. This represents the potential rental income derivable from the rental stock. The Trust's rental policy is that no eligible tenant will be required to pay more than 25 percent of their household income in rent. The difference between the assessed rent (\$229.475 million) for the property and the market rent (\$419.515 million) is recognised as a rental rebate subsidy provided to tenants and income forgone by the Trust (\$190.037 million).

2.2 SA Government grants, subsidies and transfers

	2021	2020
	\$'000	\$'000
General purpose grant	8 682	4 679
Emergency management reimbursement - COVID-19	4 808	4 172
Rough Sleeping Initiatives capital grant	4 500	-
Homelessness program	2 584	1 466
Emergency management reimbursement - bushfires	2 363	5 221
Other state grants	1 625	31
Rough Sleeping Initiatives recurrent grant	900	-
Total SA Government grants, subsidies and transfers	25 462	15 569

Revenues from SA Government are recognised as revenues when the Trust obtains control over the funding. Control over these revenues is normally obtained upon receipt.

Where money has been appropriated in the form of an equity contribution, the Treasurer has acquired a financial interest in the net assets of the Trust and the appropriation is recorded as contributed equity. Refer to the Statement of Changes in Equity.

2.3 Recoveries

	2021	2020
	\$'000	\$'000
Water charges	12 091	11 130
Private rental assistance	4 490	6 609
Maintenance	4 479	5 638
Insurance	1 140	2 390
General service recoveries	1 314	952
Other	199	285
TVSP recoveries	-	160
Grant recoveries	88	17
Total recoveries	23 801	27 181

Recoveries include costs that are on charged to tenants by the Trust including water usage charges, non-fair wear and tear maintenance charges and Private Rental Assistance bonds that are claimed by landlords.

Recoveries for costs on-charged to tenants by the Trust are included as income. These recoveries including maintenance, water charges and private rental assistance are costs incurred by the Trust and subsequently on-charged to the customer. In accordance with AASB 15 *Revenue from Contracts with Customers*, recoveries are recognised once the Trust has satisfied its performance obligation, generally this coincides with a charge being raised to the customer. In regards to water recoveries, the transaction price allocated to the performance obligation over time is estimated based on actual previous billing periods.

2.4 Interest revenue

	2021	2020
	\$'000	\$'000
Interest from entities within the SA Government	1 092	7 639
Interest from entities external to the SA Government	4	6
Total interest revenue	1 096	7 645

2.5 Commonwealth-sourced grants and funding

	2021	2020
	\$'000	\$'000
Keeping Women Safe in their Homes	443	452
Local Support Coordinator - Domestic & Family Violence	175	176
Total Commonwealth-sourced grants and funding	618	628

2.6 Resources received free of charge

	2021	2020
	\$'000	\$'000
Assets received free of charge	-	725
Total resources received free of charge	-	725

The Wangka Wilurrara Transitional Accommodation Centre was transferred from the District Council of Ceduna to the Trust for no monetary consideration in the 2019-20.

The Trust also received land from the Corporation of the City of Whyalla and Barunga West Council in 2019-20 as a result of council land relinquishments. These are Crown lands controlled by the council in which the buildings are owned by the Trust.

2.7 Net gain from disposal of property, plant and equipment

	2021	2020
	\$'000	\$'000
Rental properties		
Net proceeds from disposal	27 416	43 970
Less net book value of assets disposed ⁽¹⁾	(19 733)	(45 572)
Net gain from disposal of rental properties	7 683	(1 602)
Inventory - developed properties		
Net proceeds from disposal	79 657	46 710
Less net book value of assets disposed ⁽¹⁾	(68 233)	(38 547)
Net gain from disposal of completed assets	11 424	8 163
Inventory – vacant land		
Net proceeds from disposal	849	4 538
Less net book value of assets disposed ⁽¹⁾	(796)	(4 130)
Net gain from disposal of vacant land	53	408
Plant and equipment		
Net proceeds from disposal	-	-
Less net book value of assets disposed	(63)	(59)
Net loss from disposal of plant and equipment	(63)	(59)
Total assets		
Net proceeds from disposal	107 922	95 218
Less net book value of assets disposed ⁽¹⁾	(88 825)	(88 308)
Total net gain from disposal of property, plant and equipment	19 097	6 910

⁽¹⁾ The net book value of assets disposed comprises the carrying amount of the properties, plus the costs of marketing and agent fees and the cost of separating services and titles in respect of double units sold. In establishing the property value, the Valuer includes the impact of capital improvements effected by the tenants. Tenants purchasing properties are allowed discounts consistent with their personal investment in the property.

Gains/Losses on disposal of assets are recognised at the date asset control is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

2.8 Other revenue

	2021	2020
	\$'000	\$'000
Prior period GST recovered	17 123	-
Bad debts recovered	2 200	4 584
Sundry revenue	539	457
Shared value mortgages	140	136
Total other revenue	20 002	5 177

In 2020-21 the Trust received confirmation from the ATO that the supply of accommodation to eligible tenants with a disability is a GST free supply. As a result, the Trust is able to claim input tax credits for GST incurred on historic costs from September 2016.

Note 3 Board, committees and employees**3.1 Key management personnel**

Key management personnel of the Trust include the Minister for Human Services, the Board of Management, the Chief Executive, and members of the Executive Team.

Total compensation for key management personnel was \$2.228 million in 2020-21 and \$2.077 million in 2019-20.

The compensation detailed below excludes salaries and other benefits the Minister for Human Services received. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the *Parliamentary Remuneration Act 1990*.

	2021	2020
	\$'000	\$'000
Salaries and other short-term employee benefits	1 872	1 804
Post-Employment benefits	356	266
Other long-term employment benefits	-	7
Total key management personnel compensation	2 228	2 077

Transactions with Key Management Personnel and other related parties

There were no reportable transactions between the Trust and any Key Management Personnel and their related parties.

3.2 Board and committee members

Members during the 2020-21 financial year were:

SAHT Governing Board
(appointed by the Governor)

G Storkey (Chairperson)
C Bierbaum *
S Reid
G Bonato
M Perry
A Beer
C Tragakis (ceased March 2021)

Audit, Risk & Finance Committee
(appointed by the Board)

C Tragakis (ceased March 2021)
C Bierbaum
G Storkey
M Grantham (ceased January 2021)
M Perry (appointed March 2021)
B Morris (appointed February 2021)

* In accordance with the Premier and Cabinet Circular No. 016. Government employees did not receive any remuneration for board/committee duties during the financial year.

The fees paid to Board members in their capacity as Board Members are set by Executive Council.

Board and committee remuneration

	2021	2020
	No.	No.
\$0 - \$19 999	3	3
\$20 000 - \$39 999	5	3
\$40 000 - \$59 999	-	1
\$80,000 - \$99,999	1	1
Total number of members	9	8

The total remuneration received or receivable by members was \$0.276 million (\$0.255 million) including superannuation contributions of \$0.024 million (\$0.022 million). Remuneration of members reflects all costs of performing board/committee member duties including sitting fees, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

3.3 Employee benefits expenses

	2021	2020
	\$'000	\$'000
Salaries and wages	60 642	63 459
Superannuation	7 164	7 386
Annual leave	5 886	6 544
Payroll tax	3 612	3 965
Other employee expenses	2 473	2 500
Long service leave	(551)	1 184
Retention leave	382	462
Workers compensation	1 312	966
Targeted voluntary separation packages (refer below)	3 857	459
Board fees	252	233
Charged to capital program	(6 944)	(9 794)
Total employee benefits expenses	78 085	77 364

Due to TVSP paid out in 2020-21, provision adjustments exceeded long service leave payments resulting in negative long service leave expense.

Employment on-costs – superannuation

The superannuation employment on-cost charge represents the Trust's contributions to superannuation plans in respect of current services of current employees.

Executive remuneration

The number of staff whose remuneration received or receivable falls within the following bands:

	2021	2020
	No	No
\$154 001 to \$174 000 *	8	8
\$174 001 to \$194 000	1	4
\$194 001 to \$214 000	1	1
\$214 001 to \$234 000	2	2
\$234 001 to \$254 000	1	2
\$254 001 to \$274 000 ^	1	1
\$274 001 to \$294 000	1	1
\$294 001 to \$314 000 *	4	-
\$334 001 to \$354 000 ^	-	1
\$414 001 to \$434 000	-	1
\$434 001 to \$454 000	1	-
Total number of employees	20	21

* The table includes the TVSP component paid in 2020-21 where the employee meets the \$154,000 threshold on normal remuneration. In 2020-21, there were 4 staff included in the table who received a TVSP.

^ The table includes the TVSP component paid in 2019-20 where the employee meets the \$154,000 threshold on normal remuneration. In 2019-20, there were 2 staff included in the table who received a TVSP.

The table includes all employees whose normal remuneration was equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits as well as any termination benefits for employees who have left the Trust. The total remuneration received by these staff for the year was \$4.529 million (\$4.493 million).

Targeted Voluntary Separation Packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 42 (5).

	2021	2020
Amount paid during the reporting period to separated employees:	\$'000	\$'000
Targeted voluntary separation packages	3 857	459
Leave paid to separated employees	1 613	220
Recovery from the Department of Treasury & Finance	-	(160)
Net cost to Trust	5 470	519

3.4 Employee benefits liability

	2021	2020
Current	\$'000	\$'000
Annual leave	7 320	7 518
Long service leave	1 892	2 187
Retention leave	520	539
Accrued salaries and wages	2 093	2 004
Total current employee entitlements	11 825	12 248
Non-current		
Long service leave	15 204	17 658
Total non-current employee entitlements	15 204	17 658
Total employee entitlements	27 029	29 906

Employee benefits accrue as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value and short-term employee benefits are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the SERL liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as sick leave is non-vesting and the anticipated average sick leave to be taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Details about the measurement of long service leave liability is provided as note 11.1.

Note 4 Expenses

This section presents the major components of expenditure incurred by the Trust in relation to operating activities during the reporting period. Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Trust will occur and can be reliably measured.

Employee benefits expenses are disclosed in note 3.3.

4.1 Rental property expenses

	2021	2020
	\$'000	\$'000
Land tax equivalent	139 177	214 493
Maintenance	119 263	107 253
Council rates	43 392	43 358
Water rates	27 477	32 405
Construction variances	357	840
Other property expenses	352	510
Emergency services levy	197	219
Stamp duty & search fees	67	25
Total rental property expenses	330 282	399 103

Land tax equivalent has decreased in 2020-21 due to the land tax reform implemented by the South Australian Government.

4.2 Grants and subsidies

	2021	2020
	\$'000	\$'000
Specialist homelessness services	70 665	68 490
Emergency accommodation assistance	9 250	6 793
National Rental Affordability Scheme Subsidies	6 928	7 761
Private rental assistance	6 832	10 217
COVID-19 homelessness response	3 744	2 551
National Partnership Agreement: Remote Indigenous Housing	1 133	228
More Affordable Tenancies in Community Housing	556	830
Holbrooks Accommodation Program	213	-
SA Government Infrastructure Campaign	132	-
Septic tanks in Aboriginal communities and homelands	56	-
Emergency management grants	25	2 075
Other recurrent grants	14	55
Affordable Housing Grants	-	34
Total grants and subsidies	99 548	99 034

4.3 Depreciation and amortisation

	2021	2020
	\$'000	\$'000
Rental properties	56 325	56 102
Assets under arrangement	11 452	11 505
Remote Indigenous leased properties	11 002	9 525
Service concession assets	12 612	12 563
Intangible assets	4 004	1 849
Right-of-use accommodation	1 253	-
Plant and equipment	583	572
Right-of-use motor vehicles	541	723
Administrative properties	257	189
Leasehold improvements	564	184
Commercial properties	99	97
Total depreciation and amortisation	98 692	93 309

All non-current assets, having a limited useful life, are systematically depreciated/amortised over their useful lives in a manner that reflects the consumption of their service potential.

Lease incentives in the form of leasehold improvements are capitalised as an asset and depreciated over the remaining term of the lease or estimated useful life of the improvement, whichever is shorter.

Useful Life

Property, plant and equipment assets have a limited useful life and are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential ranging from 3 to 50 years. The useful lives of all major assets held by the Trust are reassessed on an annual basis.

The value of leasehold improvements is amortised over the estimated useful life of each improvement, or the unexpired period of the relevant lease, whichever is shorter.

Land, vacant land and capital work in progress are not depreciated.

Depreciation/amortisation of property, plant and equipment is determined as follows:

Class of Asset	Depreciation/Amortisation Method	Useful Life (Years)
Rental Properties (Dwellings)*	Straight Line	50
Administrative Properties	Straight Line	20
Commercial Properties	Straight Line	20
Assets under Arrangement	Straight Line	50
Remote Indigenous Leased Properties	Straight Line	30
Right-of-Use Buildings	Straight Line	Lease term
Right-of-Use Motor Vehicles	Straight Line	Lease term
Leasehold Improvements	Straight Line	3 - 10
Plant and Equipment	Straight Line	3 - 10
Intangibles	Straight Line	3 - 10
Service Concession Assets	Straight Line	50

* An estimated useful life of 50 years is assumed for rental dwellings and depreciation expense is calculated at a rate of 2 percent per annum on the opening revalued amount for each property.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives.

Review of Accounting Estimates

Assets' residual values, useful lives and amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

The Trust revalued all its land and buildings in 2021. Refer to note 11.2 for further information. This resulted in an increment mainly attributed to the revaluation of Indigenous leased properties, combined with significant increase in the value of land, particularly in metropolitan Adelaide, consistent with prevailing market conditions. Depreciation expenses increased by \$2.878 million as a result of the revaluation.

4.4 Supplies and services

	2021	2020
	\$'000	\$'000
Computer expenses	10 419	9 806
Accommodation expenses	9 511	11 096
Contractors	6 501	5 984
Insurance	6 054	6 592
Administration expenses	2 891	3 169
Communications	1 233	1 686
Tenant relocation	1 036	1 165
Fleet management	1 022	792
Printing, stationery and postage	1 005	1 276
Leased property expenses	960	965
Consultants	846	851
Other customer related expenses	633	1 260
Staff development	600	457
Audit fees - Auditor-General's Department ⁽²⁾	585	541
Travel and accommodation	528	1 537
Agent fees	330	376
Brokerage	165	157
Charged to capital program	(1 343)	(385)
Total supplies and services	42 976	47 325

⁽²⁾ Audit fees paid / payable to the Auditor-General's Department relating to work performed under the Public Finance and Audit Act 1987 were \$0.585 million (\$0.541 million). No other services were provided by the Auditor General's Department.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2021	2021	2020	2020
	Number	\$'000	Number	\$'000
Below \$10 000	1	5	3	19
Above \$10 000	13	841	11	832
Total paid/payable to the consultants engaged	14	846	14	851

4.5 Impairment expenses

	2021	2020
	\$'000	\$'000
Asset write-offs ⁽³⁾	15 375	13 359
Impairment loss on trade receivables	7 661	7 633
Assets held for sale	1 672	70
Total impairment expenses	24 708	21 062

⁽³⁾ Expensing of current book value of assets demolished.

Receivables were tested for indications of impairment by way of an actuarial review at 30 June. The impairment loss, which relates entirely to customer debtors, has been offset against receivables and has been recognised in the Statement of Comprehensive Income under Impairment Expenses.

All other non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. If the amount by which the asset's carrying amount exceeds the recoverable amount is material it is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation surplus.

4.6 Business services fees

	2021	2020
	\$'000	\$'000
SA Government Shared Services	1 773	2 063
Records management and mail services	652	696
Administration premises management	546	537
Project management services	440	440
Motor vehicle hire charges	336	280
Computing services and processing charges	119	116
Staff development	103	40
Procurement services	44	-
Geographical information services	28	26
Human resources services	25	26
Legal & financial services	7	4
GST expense	(68)	215
Total business services fees	4 005	4 443

DHS, RSA and Shared Services SA provide services and functions to the Trust pursuant to Service Level Administrative Arrangements (SLAAs) as categorised above. Business Service Fees include payments made to DHS, RSA and Shared Services SA for these services and functions.

Due to the administrative taxation arrangement between DHS and the Trust, the Trust received a reimbursement from DHS due to an overpayment of input taxed credits in 2019-20, resulting in negative GST expense in 2020-21.

4.7 Borrowing costs

	2021	2020
	\$'000	\$'000
Interest expense on lease liabilities	396	69
Total borrowing costs	396	69

The Trust does not capitalise borrowing costs.

Note 5 Non-financial assets

This section presents the assets that are utilised by the Trust to fulfil its objectives and conduct its activities and the accounting policies that are relevant for an understanding of the items recognised in the financial statements.

5.1 Property, plant and equipment

	2021	2020
	\$'000	\$'000
Rental properties		
<i>Land</i>		
Land at fair value	4 323 608	4 337 858
<i>Buildings</i>		
Buildings	2 824 556	2 821 515
Accumulated depreciation	(37 822)	(38 192)
Total buildings at fair value	2 786 734	2 783 323
Total rental properties	7 110 342	7 121 181
Administrative properties		
<i>Land</i>		
Land at fair value	2 223	2 220
<i>Buildings</i>		
Buildings	4 623	4 654
Accumulated depreciation	(221)	(149)
Total buildings at fair value	4 402	4 505
<i>Leasehold improvements</i>		
Leasehold improvements	16 517	9 623
Accumulated depreciation	(5 821)	(6 043)
Total leasehold improvements at cost (deemed fair value)	10 696	3 580
Total administrative properties	17 321	10 305
Commercial properties		
<i>Land</i>		
Land at fair value	233	233
<i>Buildings</i>		
Buildings	1 976	1 964
Accumulated depreciation	(68)	(63)
Total buildings at fair value	1 908	1 901
Total commercial properties	2 141	2 134
Assets under arrangement		
<i>Land</i>		
Land at fair value	824 174	815 004
<i>Buildings</i>		
Assets under arrangement	570 191	569 639
Accumulated depreciation	(7 661)	(7 662)
Total buildings at fair value	562 530	561 977
Total assets under arrangement	1 386 704	1 376 981

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	2021	2020
	\$'000	\$'000
Vacant land		
<i>Land</i>		
Land at fair value	66 372	67 328
Total vacant land	66 372	67 328
Remote Indigenous leased properties		
Remote Indigenous buildings	282 640	245 046
Accumulated amortisation	(7 721)	(24 580)
Total remote Indigenous leased properties at fair value	274 919	220 466
Plant and equipment		
Plant and equipment	6 560	6 896
Accumulated depreciation	(4 587)	(4 398)
Total plant and equipment at cost (deemed fair value)	1 973	2 498
Service concession assets		
<i>Land</i>		
Land at fair value	1 210 545	1 138 036
<i>Buildings</i>		
Buildings at fair value	634 485	620 128
Accumulated depreciation	(8 436)	(8 363)
Total buildings at fair value	626 049	611 765
Total service concession assets	1 836 594	1 749 801
Capital works in progress		
Buildings & land	128 875	124 973
Total capital works in progress at cost	128 875	124 973
Total property, plant and equipment owned by the Trust	10 825 241	10 675 667
Right-of-use motor vehicles		
Right-of-use motor vehicles	1 570	1 430
Accumulated depreciation	(908)	(587)
Total right-of-use motor vehicles at cost	662	843
Right-of-use accommodation		
Right-of-use accommodation	23 856	-
Accumulated depreciation	(1 253)	-
Total right-of-use accommodation at cost	22 603	-
Total property, plant and equipment leased by the Trust	23 265	843
Total property, plant and equipment	10 848 506	10 676 510
Total property, plant and equipment at fair value	10 745 626	10 623 624
Total property, plant and equipment at cost	177 378	142 922
Total accumulated depreciation/amortisation	(74 498)	(90 036)
Total property, plant and equipment	10 848 506	10 676 510

5.2 Property, plant and equipment owned by the Trust

Property, plant and equipment with a value equal to or in excess of \$5,000 is capitalised, otherwise it is expensed.

Assets acquired at no cost, or minimal cost, are recorded at their fair value in the Statement of Financial Position unless they are acquired as part of a restructuring of administrative arrangement, in which case they are recorded at the value recorded by the transferor prior to transfer. Detail about the Trust's approach to fair value is set out in note 11.2.

All other assets are initially brought to account as follows:

Rental Properties, Administrative Properties, Commercial Properties, Leasehold Improvements, Vacant Land and Plant and Equipment

These assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition and are depreciated as outlined below. The Trust capitalises assets with a value of \$5 000 or greater.

Subsequent costs are included in the asset's carrying amount, as appropriate, including capitalised maintenance costs on rental properties.

Assets Under Arrangement

Assets under arrangement are tenable properties that have been transferred to a Community Housing Provider (CHP) to manage. In return for the right to manage these properties the CHP has issued a debenture at fair value, or entered into a legal arrangement, with similar provisions. Recognition is based on the Trust's control of the future service potential of the assets and that these are probable and can be reliably measured. Control of these properties resides with the Trust through the *Community Housing Providers (National Law) (South Australia) Act 2013* and Funding Agreements which prescribe how the properties are to be used and managed on behalf of the government, the eligible tenants that are entitled to use them and the rent that can be charged by the CHP.

The SACCH Act provides for members of Housing Co-operatives and tenants of Associations to acquire an interest in the properties they occupy, by the Co-operative or Association issuing a participation entitlement to members. The participation entitlement reflects a percentage, as specified in the Deed, of the market value of a specific Co-operative property.

Assets under arrangement are initially recognised at market value.

Remote Indigenous Leased Properties

The Minister for Human Services has entered into lease arrangements ranging between 40 and 50 years with numerous Indigenous communities to lease parcels of land to allow the construction of new houses and the upgrade of existing houses in remote areas utilising National Partnership Agreement funding. The Trust, as agent for the Minister, will oversee all capital works on the properties and overall management of the agreement. Under the terms of the Ground Lease, ownership of the new dwellings will pass to the governing body that manages the land at the end of the lease term.

The constructed assets are recorded as capital works in progress and once complete are recognised as Remote Indigenous Leased Properties.

Capital Work in Progress

Capital work in progress reflects assets under construction that will be used in the Trust's operations.

The carrying amount for capital work in progress includes all construction costs, charges for administrative expenses and a revaluation increment or decrement where the property has previously been revalued but excludes any borrowing costs and feasibility or pre-construction costs.

Service Concession Assets

Service concession assets are properties captured under AASB 1059 *Service Concession Assets* and relate to various arrangements that the Trust has with CHPs where the CHPs provide affordable or social housing services on behalf of the Trust. Refer note 9.1.

Impairment

All non-current tangible and intangible assets are tested for indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. If the amount by which the asset's carrying amount exceeds the recoverable amount is material it is recorded as an impairment loss.

Revaluation of property, plant and equipment is undertaken on a regular cycle as detailed in Note 11.2. For revalued assets, an impairment loss is offset against the asset revaluation surplus.

	Rental Properties – Land		Rental Properties - Buildings		Admin Properties – Land	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying Amount as at 1 July	4 337 858	4 151 616	2 783 323	2 774 837	2 220	1 795
Additions	6 527	-	330	-	-	319
Transfer In from other asset category	30 381	59 418	42 959	83 464	96	-
Maintenance Upgrades	-	-	21 127	12 025	-	-
Assets Classified as Held for Sale	(1 984)	(1 773)	(1 091)	(825)	-	-
Disposals	(12 869)	(18 886)	(5 889)	(9 259)	-	-
Transfer out to other asset category	(105 899)	(42 917)	(22 426)	(15 921)	(96)	-
Revaluation Increment (Decrement)	69 594	190 400	24 428	(4 896)	3	106
Depreciation and Amortisation expenses	-	-	(56 325)	(56 102)	-	-
Depreciation and Amortisation on disposals	-	-	298	-	-	-
Carrying Amount as at 30 June	4 323 608	4 337 858	2 786 734	2 783 323	2 223	2 220

	Admin Properties – Buildings		Admin Properties – Leasehold Improvements		Commercial Property - Land	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Carrying Amount as at 1 July	4 505	3 375	3 580	2 272	233	217
Additions	-	-	105	1 843	-	63
Transfer In from other asset category	106	981	7 773	-	-	-
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	(985)	(401)	-	-
Transfer out to other asset category	(105)	-	-	(87)	-	(31)
Revaluation Increment (Decrement)	153	338	-	-	-	15
Depreciation and Amortisation expenses	(257)	(189)	(564)	(184)	-	-
Depreciation and Amortisation on disposals	-	-	787	137	-	(31)
Carrying Amount as at 30 June	4 402	4 505	10 696	3 580	233	233

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	Commercial Property - Buildings		Assets Under Arrangement - Land		Assets Under Arrangement - Buildings	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	1 901	1 838	815 004	778 699	561 977	566 165
Additions	-	-	-	-	-	-
Transfer In from other asset category	-	-	5 303	1 003	4 288	1 323
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	-	(1 356)	-	(404)
Transfer out to other asset category	-	-	(8 692)	(789)	(1 476)	(561)
Revaluation Increment (Decrement)	106	160	12 559	37 447	9 167	6 961
Depreciation and Amortisation expenses	(99)	(97)	-	-	(11 451)	(11 506)
Depreciation and Amortisation on disposals	-	-	-	-	25	(1)
Carrying Amount as at 30 June	1 908	1 901	824 174	815 004	562 530	561 977

	Vacant Land – Land		Remote Indigenous Leased Properties		Capital Work in Progress	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	67 328	56 369	220 466	220 784	124 973	184 849
Additions	38	-	-	-	113 342	88 631
Transfer In from other asset category	11 239	16 520	358	13 050	61 628	56 230
Maintenance Upgrades	-	-	48	-	-	3 855
Assets Classified as Held for Sale	(514)	-	-	-	-	-
Disposals	-	(610)	-	-	-	-
Transfer out to other asset category	(9 780)	(6 155)	(5 590)	(4 164)	(171 068)	(208 592)
Revaluation Increment (Decrement)	(1 939)	1 204	70 522	-	-	-
Depreciation and Amortisation expenses	-	-	(11 002)	(9 525)	-	-
Depreciation and Amortisation on disposals	-	-	117	321	-	-
Carrying Amount as at 30 June	66 372	67 328	274 919	220 466	128 875	124 973

	Service Concession Assets - Land		Service Concession Assets - Building		Plant and Equipment	
	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying Amount as at 1 July	1 138 036	1 072 488	611 765	630 193	2 498	2 994
Additions	-	-	-	-	63	79
Transfer In from other asset category	67 428	3 086	19 380	3 879	2	-
Maintenance Upgrades	-	-	-	-	-	-
Assets Classified as Held for Sale	-	-	-	-	-	-
Disposals	-	-	-	-	(401)	(3)
Transfer out to other asset category	(11 410)	(1 108)	(1 539)	(44)	-	-
Revaluation Increment (Decrement)	16 491	63 570	9 034	(9 701)	-	-
Depreciation and Amortisation expenses	-	-	(12 612)	(12 563)	(583)	(572)
Depreciation and Amortisation on disposals	-	-	21	1	394	-
Carrying Amount as at 30 June	1 210 545	1 138 036	626 049	611 765	1 973	2 498

	Total Property, Plant and Equipment owned by the Trust	
	2021 \$'000	2020 \$'000
Carrying Amount as at 1 July	10 675 667	10 448 491
Additions	120 405	90 935
Transfer In from other asset category	250 941	238 954
Maintenance Upgrades	21 175	15 880
Assets Classified as Held for Sale	(3 589)	(2 598)
Disposals	(20 144)	(30 919)
Transfer out to other asset category	(338 081)	(280 369)
Revaluation Increment (Decrement)	210 118	285 604
Depreciation and Amortisation expenses	(92 893)	(90 738)
Depreciation and Amortisation on disposals	1 642	427
Carrying Amount as at 30 June	10 825 241	10 675 667

5.3 Property, plant and equipment leased by the Trust

Property, plant and equipment leased by the Trust is recorded at cost. Additions to leased property, plant and equipment during 2020-21 were \$24.222 million (\$1.602 million).

The Trust does not have any short-term leases of 12 months or less and low value leases where the underlying asset value is less than \$15,000 are not recognised as right-of-use assets.

The Trust has a limited number of leases:

- 147 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 2 years up to 3 years. No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.
- 2 office accommodation leases with the Department for Infrastructure and Transport (DIT). The lease terms are 4 years and 10 years. No contingent rental provisions exist within the lease agreements. Some leases have the options to renew at the end of their term.

The lease liabilities related to the right-of-use assets are disclosed in note 7.2. The Trust's maturity analysis of its lease liabilities is disclosed in note 11.3. Expenses related to leases, including depreciation and interest expenses, are disclosed in notes 4.3 and 4.7. Cash outflows related to leases are disclosed in note 8.2.

Impairment

Property, plant and equipment leased by the Trust has been assessed for impairment. There was no indication of impairment. No impairment loss or reversal of impairment loss was recognised.

5.4 Intangible assets

	2021 \$'000	2020 \$'000
Computer software		
Internally generated computer software	42 623	41 877
Accumulated amortisation	(13 401)	(9 397)
Total computer software	29 222	32 480
Work in progress computer system development	6 224	776
Total work in progress computer systems development	6 224	776
Total intangible assets	35 446	33 256

Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Trust only has intangible assets with finite lives.

The acquisition or internal development of software is capitalised when the expenditure meets the definition and recognition criteria of an asset as outlined in AASB 138 *Intangible Assets* and when the amount of expenditure is greater than or equal to \$5,000. Amortisation is calculated on a straight-line basis over 3 to 10 years from the date that the asset is ready for use.

In April 2020 the Trust implemented a new tenancy and property management system Connect, previously recognised as work in progress computer systems development, that replaced the Trusts legacy core ICT system.

All research and development projects that do not meet the capitalisation criteria outlined in AASB 138 *Intangible Assets* are expensed. An expense of \$0.792 million (\$0.985 million) for research and development costs has been recognised in 2020-21.

Reconciliation of intangible assets during 2020-21 and 2019-20

	Internally generated software		Work in progress computer system development		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Opening balance	32 480	2 120	776	18 363	33 256	20 483
Additions	746	32 255	6 194	14 668	6 940	46 923
Transfers to internally generated software	-	-	(746)	(32 255)	(746)	(32 255)
Disposal	-	(46)	-	-	-	(46)
Amortisation	(4 004)	(1 849)	-	-	(4 004)	(1 849)
Closing balance	29 222	32 480	6 224	776	35 446	33 256

5.5 Inventories

	2021 \$'000	2020 \$'000
Current		
Capital work in progress	109 487	89 032
Developed properties	16 666	40 992
Vacant land	2 872	2 693
Total current inventories	129 025	132 717
Non-current		
Capital work in progress	27 107	8 991
Total non-current inventories	27 107	8 991
Total inventories	156 132	141 708

Inventories include capital work in progress, developed properties and vacant land that are expected to be sold in the ordinary course of business. Inventories are carried at the lower of cost and net realisable value. The amount of any inventory write-down to net realisable value is recognised as an expense in the period the write-down occurred. Any write-down reversals are recognised as an expense reduction.

- (i) Capital work in progress relates to development projects containing both land and building components that are expected to be sold on completion.
- (ii) Developed properties relates to land and building components that have been developed and may be sold in their current condition or transferred to capital work in progress as part of a development project. It is carried at cost.
- (iii) Vacant land consists of land that is expected to be sold.

5.6 Non-current assets classified as held for sale

	2021	2020
	\$'000	\$'000
Land	3 721	1 794
Buildings	1 915	826
Total non-current assets classified as held for sale	5 636	2 620

Non-current assets classified as held for sale relate to rental properties and administrative properties that are expected to be sold, through the private property market, within the next 12 months. These assets are measured at the lower of their carrying amount and fair value less costs to sell and are no longer depreciated, pending sale. Detail about the Trust's approach to fair value is set out in note 11.2.

Note 6 Financial assets**6.1 Cash and cash equivalents**

	2021	2020
	\$'000	\$'000
Deposits with the Treasurer	36 353	106 618
Cash – Development Projects	1 443	1 439
Cash on hand	14	18
Total cash and cash equivalents	37 810	108 075

Deposits with the Treasurer

Relates to working cash held in the Commonwealth Bank Working account through the Department of Treasury and Finance.

Cash - Development Projects

Relates to the ANZ accounts held for the Playford development projects.

6.2 Receivables

	2021	2020
	\$'000	\$'000
Current		
Trade receivables		
From government entities	4 523	831
From non-government entities	30 450	25 837
Less impairment loss on trade receivables	(19 184)	(16 443)
Total trade receivables	15 789	10 225
Statutory receivables		
GST receivable	4 897	1 995
Total statutory receivables	4 897	1 995
Accrued revenues	9 602	8 692
Prepayments	2 744	2 874
Total current receivables	33 032	23 786
Non-current		
Affordable Assist Program	5 727	438
Total non-current receivables	5 727	438
Total receivables	38 759	24 224

Receivables mainly arise from the letting of public housing to tenants. Rent is payable by tenants in advance and charged weekly. All other receivables are subject to a term of 30 days.

Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Other than what is recognised in the impairment loss on trade receivables, it is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being received on demand. The credit risk is concentrated in the rental area due to the nature of the business of the Trust.

Prepayments, accrued revenues and the majority of receivables are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

Affordable Assist Program is an integrated finance and property product that can assist more low/moderate income households enter affordable homeownership. The Trust invests equity into a portion of a property to reduce the amount a household needs to contribute to the overall purchase price of the home. Once the purchaser sells or refinances their property in the future, the invested amount is disbursed back to the Trust.

Refer to note 11.4 for further information on risk management.

Allowance for impairment loss on receivables

	2021	2020
	\$'000	\$'000
Carrying amount at the beginning of the period	16 443	17 100
Increase in the provision	7 661	7 633
Amounts written off	(4 920)	(8 290)
Carrying amount at the end of the period	19 184	16 443

Impairment losses relate to contracts with customers external to SA Government. No impairment loss was recognised in relation to statutory receivables.

Refer to note 11.4 for details regarding credit risk and the methodology for determining impairment.

6.3 Other financial assets

	2021	2020
	\$'000	\$'000
Cash held at SAFA cash management facility	474 897	803 614
Total other financial assets	474 897	803 614

There is no impairment loss on debt securities (being investment with SAFA) due to the rating of the counterparty.

For further information on risk management refer to note 11.4.

Note 7 Liabilities

Employee benefits liabilities are disclosed in note 3.4.

7.1 Payables

	2021	2020
	\$'000	\$'000
Current		
Creditors	15 881	23 587
Accrued expenses	42 361	32 930
	<u>58 242</u>	<u>56 517</u>
Statutory payables		
Land tax payable	-	214 500
Employment oncosts	1 722	1 741
Total statutory payables	<u>1 722</u>	<u>216 241</u>
Total current payables	<u>59 964</u>	<u>272 758</u>
Non-current		
Statutory payables		
Employment oncosts	1 429	1 637
Total non-current payables	<u>1 429</u>	<u>1 637</u>
Total payables	<u>61 393</u>	<u>274 395</u>

Payables and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Statutory payables do not arise from contracts.

The net amount of GST recoverable from the ATO is included as part of payables.

Employment on-costs

Employment on-costs include payroll tax, WorkCover levies and superannuation contributions and are settled when the respective employee benefits that they relate to is discharged.

The Trust contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to the South Australian Superannuation Board.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the proportion of long service leave taken as leave has remained unchanged at 42% from 2020, and the average factor for the calculation of employer superannuation on-cost has changed from the 2020 rate (9.8%) to 10.1%. These rates are used in the employment oncost calculation. The net financial effect of the change in the current financial year is a decrease in the employment on-cost and employee benefits expense of \$0.168 million.

7.2 Financial liabilities

	2021	2020
Current		
Lease liabilities	3 034	512
Total current financial liabilities	3 034	512
Non-current		
Lease liabilities	27 948	339
Total non-current financial liabilities	27 948	339
Total financial liabilities	30 982	851

The Trust measures financial liabilities including borrowings/debt at amortised cost.

Note 11.3 describes possible cash outflows for leases the Trust is exposed to that are not included in lease liabilities.

7.3 Provisions

	2021	2020
Current	\$'000	\$'000
Public risk & professional indemnity	67	53
Workers compensation	345	265
Total current provisions	412	318
Non-current		
Public risk & professional indemnity	403	409
Workers compensation	735	554
Total non-current provisions	1 138	963
Total provisions	1 550	1 281

An asset of \$0.011 million (\$0.020 million) for workers compensation recoveries has been recognised for 2020-21.

Movement in provisions

	2021	2020
Reconciliation of public risk & professional indemnity	\$'000	\$'000
The following table shows the movement of public risk & professional indemnity		
Carrying amount at beginning of financial year	462	508
Additional provisions recognised	466	496
Reduction in provisions	(299)	(488)
Payments made	(159)	(54)
Carrying amount at 30 June	470	462
Reconciliation of workers compensation		
The following table shows the movement of Workers Compensation		
Carrying amount at beginning of financial year	819	693
Additional provisions recognised	1 312	966
Reduction in provisions	-	-
Payments made	(1 051)	(840)
Carrying amount at 30 June	1 080	819

A provision has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2021 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector Employment. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Trust is responsible for the payment of workers compensation claims.

7.4 Other liabilities

	2021	2020
	\$'000	\$'000
Current		
Rent received in advance	11 926	11 788
Deposits held:		
Tenant deposits held	2 435	2 346
Sale deposits held	1	-
Unearned revenue	159	159
Managed houses scheme	243	243
Total current other liabilities	14 764	14 536
Non-current		
Unearned revenue	40	199
Managed houses scheme	61	304
Total non-current other liabilities	101	503
Total other liabilities	14 865	15 039

Note 8 Other disclosures**8.1 Equity**

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

8.2 Cash flow

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Total cash outflows for leases was \$2.207 million (2020: \$0.714 million).

Cash flow reconciliation

	2021	2020
	\$'000	\$'000
Reconciliation of cash and cash equivalents and other financial assets at the end of the reporting period:		
Cash and cash equivalents disclosed in the Statement of Financial Position	37 810	108 075
Other financial assets disclosed in the Statement of Financial Position	474 897	803 614
Balance as per the Statement of Cash Flows	512 707	911 689
Reconciliation of net cash inflows from operating activities to net result before income tax equivalent:		
Net cash provided by/(used in) operating activities	(492 134)	(175 293)
Add/Less non cash items		
Depreciation and amortisation	(98 692)	(93 309)
Net (loss)/gain from disposal of assets	19 097	6 910
Buildings and other assets written off	(17 047)	(13 429)
Construction variance, surplus on property	(357)	(840)
Impairment loss on trade receivables	(2 741)	657
Provision adjustment	(1 479)	(974)
Assets received free of charge	-	725
Affordable homes assistance	533	98
Loan amortisation	243	243
	(100 443)	(99 920)
Changes in assets / liabilities		
(Decrease) Increase in receivables	11 987	7 357
(Decrease) Increase in contract assets	22 009	-
(Decrease) Increase in property, plant and equipment	28 810	13 902
(Increase) Decrease in payables	213 002	(170 317)
(Increase) Decrease in employee benefits	2 877	(1 534)
Decrease (Increase) in provisions	1 210	894
Decrease (Increase) in financial liabilities	(30 131)	(851)
(Increase) Decrease in other liabilities	(69)	(2 704)
	249 695	(153 253)
Net result before income tax equivalent	(342 882)	(428 466)

Note 9 Changes in accounting policy**9.1 AASB 1059 Service Concession Arrangement: Grantors**

AASB 1059 *Service Concession Arrangement: Grantors* prescribes the accounting treatment for agreements where an operator provides public services on behalf of a public sector grantor involving a service concession arrangement. This standard applies to reporting periods beginning on or after 1 January 2020.

The Trust has various arrangements with Community Housing Providers (CHPs), some of which are captured under AASB 1059. The criteria for an asset to be recognised or reclassified as a Service Concession Asset are as follows:

- CHPs providing public services related to a Service Concession Asset on behalf of the Trust for a specified term; and
- CHPs managing at least some if not all services such as maintenance, tenant selection (within eligibility parameters set by the Trust) and rent collection at its own discretion, rather than at the direction of the Trust; and
- The Trust controls the asset.

There are several variations of contracts that govern the transfer of properties to CHPs. The most common service concession arrangements, being:

1. properties leased to CHPs for a specified term using a concurrent lease and deed model. The Trust retains legal title to these properties. The adoption of AASB 1059 from 1 July 2020 resulted in reclassification made to affected assets within Property, Plant and Equipment previously measured under *AASB 116 Property, Plant and Equipment* as Service Concession Assets, with no liability being recognised.
2. when these properties are being developed, legal title is transferred to CHPs under a Transfer Deed enabling the CHP to demolish existing dwellings, subdivide, and construct new dwellings. A portion of the land is returned to the Trust with a new dwelling. The Trust maintains a statutory charge on these properties during the development period and continues to recognise them as service concession assets. In accordance with AASB 1059, this constitutes a significant upgrade or replacement of a service concession asset. Therefore, the existing service concession asset is derecognised, and a new service concession asset is recognised.

Impact on retained earnings

On transition, there was no impact on retained earnings.

Accounting policies on transition

AASB 1059 sets out accounting policies on transition in its transitional provisions. In accordance with APS 1059.A, the Trust sought approval from the Department of Treasury and Finance (DTF) to apply this Standard. With approval granted, the Trust adopted the following accounting policies:

- to apply AASB 1059 retrospectively by recognising and measuring service concession assets and related liabilities at 1 July 2019.
- at 1 July 2019 AASB 1059 requirements were applied to assets containing a service concession arrangement, previously recognise under AASB 116 and related interpretations.
- the revaluation surplus previously available to property, plant and equipment will continue to be available to the transferred service concession assets.
- measure the fair value of the service concession assets at current replacement cost in accordance with the cost approach in AASB 13 *Fair Value Measurement* as at the date of reclassification. To replace the service capacity of a service concession asset would be to purchase a house and land in a similar location and functionality therefore the market value would drive the current replacement cost. The Trust will use Valuer-General (VG) valuations, which is consistent with the Trust valuation policy across other real property assets.

Ongoing accounting policies

The Trust has adopted the following accounting policies:

- all agreements entered with community housing providers will be assessed if they meet the definition of service concession arrangement.
- where the service concession arrangement criteria are met, the Trust recognises a service concession asset initially measured at current replacement cost in accordance with the cost approach to fair value in AASB 13 *Fair Value Measurement*.
- after initial measurement or reclassification, the Trust applies AASB 116 to the subsequent measurement and assets will continue to be depreciated over 50 years in accordance with the Trust's asset management policy.
- upgrades or replacements of major components of service concession assets will be recognised as new service concession assets.
- Where the Trust receives new dwellings when properties are redeveloped by the CHP, the existing service concession asset is derecognised, and a new service concession asset is recognised.

Significant accounting policies relating to the application of AASB 1059 are disclosed under relevant notes.

Note 10 Outlook**10.1 Unrecognised commitments**

Commitments include operating, capital and outsourcing arrangements arising from contractual sources and are disclosed at their nominal value.

Capital Commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities in the financial statements, are payable as follows:

	2021 \$'000	2020 \$'000
Within one year	29 937	22 659
Later than one year but not longer than five years	43 177	13 777
Later than five years	-	7 651
Total capital commitments	73 114	44 087

The Trust's capital commitments include commitments for a number of capital projects and some capital-related maintenance spend.

Expenditure Commitments

The Trust's expenditure commitments are for agreements for expenditure on operations and maintenance contracted but not provided for and payable, are as follows:

	2021 \$'000	2020 \$'000
Within one year	79 419	79 526
Later than one year but not longer than five years	63 322	23 637
Total expenditure commitments	142 741	103 163

The Trust's expenditure commitments are for agreements for:

- maintenance expenses; and
- grant and subsidy arrangements under Treasurer's Instructions 15.

Management Agreement Commitments

The Trust's management agreement commitments are to manage houses subject to lease arrangements with Funds SA (formerly Colonial First State and Motor Accident Commission) which are contracted but not provided for are payable as follows:

	2021	2020
	\$'000	\$'000
Within one year	303	306
Later than one year but not longer than five years	1 244	2 497
Total management agreement commitments	1 547	2 803

Accommodation Commitments

The Trust's accommodation commitments are for agreements for expenditure on accommodation not provided for and payable, are as follows:

	2021	2020
	\$'000	\$'000
Within one year	3 661	7 962
Later than one year but not longer than five years	8 234	25 942
Later than five years	794	4 722
Total accommodation commitments	12 689	38 626

The Trust's expenditure commitments are for agreements for memoranda of administrative arrangements with the Department for Infrastructure and Transport (DIT) for accommodation.

The commitments include extension options where the Trust considers reasonably certain that they would be taken up. The assessment has been made based on a number of factors including accommodation strategy, the length of lease term, the ability to relocate into alternate accommodation if required and past history with renewing lease options.

10.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Contingent Assets

Shared Value Affordable Home Initiative

The Shared Value Affordable Home Initiative, funded by the Commonwealth Government in conjunction with Local Government, allows eligible buyers the opportunity to purchase a property at a price less than market value. Each purchase is subject to a shared appreciation arrangement and a mortgage is affixed to the property. Under this arrangement when the property is sold or the mortgage discharged, the amount of the original discount, plus a share in any appreciation or depreciation in value, must be paid to the Trust for reinvestment in Affordable Housing outcomes. There are currently 6 (9) properties under this scheme with a total discount provided of \$0.360 million (\$0.490 million). The current share of depreciation of these properties is approximately \$0.035 million (\$0.003 million).

Contingent Liabilities

Progressive Purchase Scheme

Under this scheme the Trust owns portions of properties as tenant in common with other persons. Where the Trust has signed agreements with lending institutions advancing persons mortgage monies, the Trust can be called upon in cases of default to purchase the defaulter's interest at current market value. The 7 (7) properties included in the scheme are subject to mortgages with a collective loan balance of \$0.084 million (\$0.090 million). The Tenant's share of the value of the properties subject to mortgage is estimated to be \$1.161 million (\$1.161 million), based on the Valuer-General's overall capital value.

Rental Purchase and Sale Under Agreement House Purchase Schemes

The rental purchase and sale under agreement portfolio was transferred to HomeStart Finance on 10 December 1993 and due to conditions in some of the agreements, the Trust remains responsible to make good for loss or damage to the subject properties for specific events. There are 5 (5) properties currently under this scheme. The Trust remains the legal owner of these properties until they are transferred to the purchasers upon completion of this agreement. The properties included in the scheme that are subject to indemnity clauses have a collective estimated replacement value of \$1.216 million (\$1.206 million). These properties together with the Trust's rental properties are subject to an agency agreement with South Australian Government Financing Authority, SAICORP Division (SAICORP) and in the event of a claim will be indemnified by the Treasurer so as to limit the exposure of the Trust to \$1.0 million.

Bond Guarantee Scheme

Under the bond guarantee scheme a guarantee for the bond is given to the landlord. In the event of a claim by a landlord, the Office of Consumer and Business Services makes a payment. The Trust then reimburses the Office of Consumer and Business Services and the private rental customer becomes liable to the Trust for the amount. The value of bond guarantees issued and outstanding at 30 June 2021 is \$55.347 million (\$58.469 million). The value of claims made this financial year is \$4.484 million (\$6.647 million).

The Trust pays interest at an agreed market determined rate to the Office of Consumer and Business Services based on the daily outstanding balance of bond guarantees issued.

Equity Shares

The *South Australian Co-operative and Community Housing Act 1991* provided for members of Housing Co-operatives and tenants of Associations to acquire equity in the properties they occupy, by the Co-operative or Association issuing equity shares to members. The equity shares reflect a proportional interest in the value of a specific Co-operative or Association property. The Trust is obliged to repurchase the equity shares from holders who leave relevant Co-operatives or Associations at a value reflecting their proportion of the current value of the property at the time the equity shares are redeemed. The value of these equity shares at 30 June 2021 is \$10.436 million (\$10.622 million).

10.3 COVID-19 pandemic outlook for the Trust

The COVID-19 pandemic will continue to impact the operations of the Trust in 2021-22. The key expected impacts include:

- the Trust will continue to support and transition those rough sleepers that were provided emergency accommodation when required to quarantine to longer term sustainable housing.
- The Trust will continue to operate the COVID-19 Relief Call Centre until it is no longer required.

Note 11 Measurement of risk**11.1 Long service leave liability - measurement**

AASB 119 *Employee Benefits* contains the calculation methodology for long service liability.

The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave liability and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA government entities.

AASB 119 requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service liability. The yield on long term Commonwealth Government bonds has increased from 2020 (0.75%) to 2021 (1.25%). This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The net financial effect of the changes to actuarial assumptions in the current financial year is a decrease in the long service leave liability of \$1.783 million and employee benefits expense of \$1.950 million. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 2.5% for long service leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

Current long service leave reflects the portion of leave expected to be settled within the next 12 months, based on previous experience.

11.2 Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment, other than right-of-use assets, is subsequently measured at fair value after allowing for accumulated depreciation.

The valuation processes and fair value changes are reviewed by the Director, Finance and the Audit, Risk & Finance Committee at each reporting date.

Non-current tangible assets are valued at fair value and revaluation of non-current assets or a group of assets is only performed when the fair value at the time of acquisition is greater than \$1.5 million and estimated useful life is greater than three years.

Revaluation is undertaken on a regular cycle as detailed below. If at any time management considers that the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Fair value hierarchy

The Trust classifies fair value measurement using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements, based on the data and assumptions used in the most recent revaluation.

- Level 1 – traded in active markets and is based on unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at measurement date.
- Level 2 – not traded in an active market and are derived from inputs (inputs other than quoted prices included within level 1) that are observable for the asset, either directly or indirectly.
- Level 3 – not traded in an active market and are derived from unobservable inputs.

The Trust's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. Valuation techniques used to derive level 2 and 3 fair values are at Note 5.2 and 5.6.

During 2021 and 2020, the Trust had no valuations categorised into level 1; there were no transfers of assets between level 1 and 2 fair value hierarchy levels and there were no changes in valuation technique.

Fair value classification – non-financial assets at 30 June 2021

	\$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement			
Land (Note 5.1)	6 360 783	6 360 783	-
Buildings (Note 5.1)	3 981 623	3 981 623	-
Vacant land (Note 5.1)	66 372	66 372	-
Leasehold improvements (Note 5.1)	10 696	-	10 696
Plant and equipment (Note 5.1)	1 973	-	1 973
Remote Indigenous leased properties (Note 5.1)	274 919	-	274 919
Capital works in progress (Note 5.1)	128 875	128 875	-
Total recurring fair value measurements	10 825 241	10 537 653	287 588
Non-recurring fair value measurement			
Land held for sale (Note 5.6) ⁽⁴⁾	3 721	3 721	-
Buildings held for sale (Note 5.6) ⁽⁴⁾	1 915	1 915	-
Total non-recurring fair value measurements	5 636	5 636	-
Total	10 830 877	10 543 289	287 588

Fair value classification – non-financial assets at 30 June 2020

	\$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurement			
Land (Note 5.1)	6 293 350	6 293 350	-
Buildings (Note 5.1)	3 963 472	3 963 472	-
Vacant land (Note 5.1)	67 328	67 328	-
Leasehold improvements (Note 5.1)	3 580	-	3 580
Plant and equipment (Note 5.1)	2 498	-	2 498
Remote Indigenous leased properties (Note 5.1)	220 466	-	220 466
Capital works in progress (Note 5.1)	124 973	124 973	-
Total recurring fair value measurements	10 675 667	10 449 123	226 544
Non-recurring fair value measurement			
Land held for sale (Note 5.6) ⁽⁴⁾	1 794	1 794	-
Buildings held for sale (Note 5.6) ⁽⁴⁾	826	826	-
Total non-recurring fair value measurements	2 620	2 620	-
Total	10 678 287	10 451 743	226 544

⁽⁴⁾ The Trust has measured land and buildings held for sale at fair value less costs to sell in accordance with AASB 5 because the assets' fair value less costs to sell is lower than its carrying amount. Refer to Note 5.6.

Rental Properties, Administrative Properties, Commercial Properties, Vacant Land and Assets Under Arrangement

In compliance with AASB 116 *Property, Plant & Equipment*, all land and buildings are subsequently measured at fair value less accumulated depreciation.

The Trust revalues all land and buildings annually using the Valuer-General's values for rating purposes, issued as at 1 July 2020 reflecting "the capital amount that an unencumbered estate of fee simple in the land might reasonably be expected to realise upon sale" in accordance with the *Valuation of Land Act 1971* and is determined in line with the property market evidence at that time. This value is deemed to be fair value for financial reporting purposes.

Revaluation occurred at 31 October 2020, using the 1 July 2020 values, for all land and buildings acquired or completed before 31 October 2019.

Any revaluation increment is credited to the asset revaluation surplus, except to the extent that it reverses a revaluation decrease of the same asset class previously recognised as an expense, in which case the increase is recognised as income. Any revaluation decrease is recognised as an expense, except to the extent that it offsets a previous revaluation increase for the same asset class, in which case the decrease is debited directly to the asset revaluation surplus to the extent of the credit balance existing in revaluations reserve for that asset class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Upon disposal or de-recognition, any revaluation surplus relating to that asset is transferred to retained earnings.

Remote Indigenous Leased Properties

Remote Indigenous Leased Properties are amortised over the life of the building relevant to the ground lease (30 years). Each property is revalued every three years based on their depreciated replacement cost. The replacement cost is derived from information provided by the Trust's construction programs for similarly configured properties being constructed remotely. Due to the remoteness of many of these leased properties, there is no observable market for these properties, nor consistent Valuer-Generals information that could be applied to an alternative valuation method. The properties were last revalued at 31 October 2020.

Leasehold Improvements

The value of leasehold improvements is recorded at cost (deemed fair value).

Plant and Equipment

Plant and equipment are brought to account at historical cost (deemed fair value).

Reconciliation of level 3 recurring fair value measurements

The following table is a reconciliation of fair value measurements using significant unobservable inputs (level 3).

	Plant & equipment	Leasehold improvements	Remote Indigenous properties
	2021 \$'000	2021 \$'000	2021 \$'000
Opening balance at the beginning of the period	2 498	3 580	220 466
Acquisitions	63	105	48
Transfer into level 3 ⁽⁵⁾	2	7 773	358
Transfer out of level 3 ⁽⁵⁾	-	-	(5 473)
Disposals	(7)	(198)	-
Total gains (losses) for the period recognised in net result:			
Depreciation and amortisation expenses	(583)	(564)	(11 002)
Revaluation increments	-	-	70 522
Carrying amount at the end of the period	1 973	10 696	274 919

	Plant & equipment	Leasehold improvements	Remote Indigenous properties
	2020 \$'000	2020 \$'000	2020 \$'000
Opening balance at the beginning of the period	2 994	2 272	220 784
Acquisitions	79	1 843	-
Transfer into level 3 ⁽⁵⁾	-	-	13 050
Transfer out of level 3 ⁽⁵⁾	-	(87)	(4 164)
Disposals	(3)	(264)	321
Total gains (losses) for the period recognised in net result:			
Depreciation and amortisation expenses	(572)	(184)	(9 525)
Revaluation increments	-	-	-
Carrying amount at the end of the period	2 498	3 580	220 466

⁽⁵⁾ Transfers into and out of level 3 relate to transfers from and to other asset classes disclosed in different fair value hierarchy levels.

11.3 Possible lease cash outflows not reflected in lease liabilities

The Trust has entered into a lease of office accommodation with Department for Infrastructure and Transport (DIT). The lease liability does not reflect the extension option of an additional 5 years as the Trust does not consider it reasonably certain that it would be taken up. The assessment has been made based on a number of factors including accommodation strategy, the length of lease term, the ability to relocate into alternate accommodation if required and past history with renewing lease options. Were this option to be taken up, the total estimated cost over the extension period is \$57.090 million.

11.4 Financial instruments**Financial risk management**

Risk management is managed by the Trust's finance division. The Trust's risk management policies are in accordance with the *SA Government Risk Management Guide* and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Trust's exposure to financial risk (liquidity risk, credit risk and market risk) is low due to the nature of the financial instruments held.

Liquidity risk

In relation to liquidity/funding risk, the continued existence of the Trust in its present form, and with its present programs, is dependent on Government policy and associated funding programs for the Trust's administration and outputs.

The Trust works with the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through the SA Government budgetary processed to meet the expected cash flows.

In 2018-19 the Trust received a one-off grant payment of \$602 million, being an up-front payment of grants previously budgeted to be received over the four-year period 2019-20 to 2022-23. This grant is sufficient to fund the net cost of the Trust's approved operations for this period, significantly reducing liquidity risk. The Trust also received equity contributions of \$129.341 million in 2020-21 (\$240.599 million in 2019-20).

Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust measures credit risk on a fair value basis and monitors risk on a regular basis.

The Trust is exposed to credit risk associated with the amounts due to it from tenants for rent and other charges. Credit risk is ameliorated by the fact that amounts due from individual tenants are relatively small. The Trust manages credit risk associated with its tenants by establishment of a Credit Policy which is communicated to Trust staff and tenants. The performance of individual tenants and of components of the total population of tenants are monitored and reported upon to Trust management and the Board.

Allowances for impairment of financial assets are calculated on past experience and current and expected changes in client credit rating. Currently the Trust does not hold any collateral as security to any of its financial assets.

Impairment of financial assets

Loss allowances for receivables are measured at an amount equal to lifetime expected credit loss (ECL) using the simplified approach in AASB 9 *Financial Instruments*. An impairment loss is recognised when there is objective evidence that a receivable is impaired. The Trust assesses its debtors for evidence of impairment on a collective basis according to common risk characteristics of the transactions and the debtors to determine where such evidence exists.

The impairment loss on trade receivables is based on an actuarial assessment conducted by the Trust's consulting actuaries Brett & Watson Pty Ltd. They concluded that, in accordance with AASB 9, an appropriate allowance for impairment loss is 63% of debtors at 30 June 2020.

Brett & Watson Pty Ltd determined the percentage by analysing customer debtors at 31 March 2020 to estimate the impairment loss due to:

- discounting the cash flow until the date that payment is expected to be received from the debtor. The discount rate applied was 0.63 per cent per annum based on the risk free rate as at 31 May 2020.
- amounts estimated that will not be received based on common risk characteristics of the transaction and the debtor.

The Trust considers that the assumptions used by the Trust's consulting actuaries are still appropriate for determining the expected credit loss at 30 June 2021.

The expected credit loss of government debtors is considered to be nil based on the external credit ratings and nature of the counterparties.

The following table provides information about the exposure to credit risk and ECL for non-government debtors.

	Debtor gross carrying amount \$'000	Loss %	Lifetime expected losses \$'000
Customer debtors	30,265	63	19,067
Other debtors	185	63	117
Loss allowance	30,450		19,184

Receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the failure of a debtor to enter into a payment plan with the Trust and a failure to make contractual payments for a period of greater than 18 months past due. Debts that are outsourced are written off and subsequently any monies recovered are recorded as an income.

Receivables with a contractual amount of \$4.576 million written off during the year are still subject to enforcement activity.

Cash and debt investments

The Trust considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties and therefore the expected credit loss is nil.

Market risk

The Trust is also exposed to risk arising from property values in the real estate market, due to its reliance on asset sales to fund capital works. The Trust manages any risk of not meeting its sales revenue requirements by regular monitoring and reporting of sales performance.

Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in the respective financial asset / financial liability note.

Classification of financial instruments

Category of financial assets and financial liability	Note	2021 Carrying amount / fair value \$'000	2021 Contractual maturities *		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	37 810	37 810	-	-
Financial assets at amortised cost					
Receivables **	6.2	31 117	25 390	-	5 727
Other financial assets	6.3	474 897	474 897	-	-
Total financial assets		543 824	538 097	-	5 727
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	57 315	57 315	-	-
Lease liabilities	7.2	30 982	3 034	11 984	15 964
Other liabilities	7.4	2 740	2 679	61	-
Total financial liabilities		91 037	63 028	12 045	15 964

Category of financial assets and financial liability	Note	2020 Carrying amount / fair value \$'000	2020 Contractual maturities *		
			Within 1 year \$'000	1 - 5 years \$'000	More than 5 years \$'000
Financial assets					
Cash and cash equivalents					
Cash and cash equivalents	6.1	108 075	108 075	-	-
Financial assets at amortised cost					
Receivables **	6.2	19 355	18 917	-	438
Other financial assets	6.3	803 614	803 614	-	-
Total financial assets		931 044	930 606	-	438
Financial liabilities					
Financial liabilities at amortised cost					
Payables **	7.1	55 591	55 591	-	-
Lease liabilities	7.2	851	512	339	-
Other liabilities	7.4	2 893	2 589	304	-
Total financial liabilities		59 335	58 692	643	-

*Maturities analysis is presented using the undiscounted cash flows and therefore may not total to equal the carrying amount/fair value of the financial instrument.

** Total amounts disclosed here exclude statutory amounts. Receivables do not include prepayments as these are not financial instruments. Prepayments are presented in note 6.2.

Statutory receivables and payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. This includes Commonwealth, State and Local Government taxes and equivalents, fees and charges; Auditor-General's Department audit fees. This is in addition to employee related payables, such as payroll tax, Fringe Benefits Tax, Pay As You Go Withholding and ReturnToWorkSA levies. In government, certain rights to receive or pay cash may not be contractual but have their source in legislation and therefore, in these situations, the disclosure requirements of AASB 7 *Financial Instruments: Disclosures* will not apply. The standard defines contract as enforceable by law. All amounts recorded are carried at cost.

Note 12 Disclosure of Administered Items

12.1 Disclosure of Administered Items as at 30 June 2021

	Homelessness Social Impact Bond		HomeStart Community Service Obligations		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Administered income						
Revenues from SA Government	2 089	1 200	-	7 256	2 089	8 456
Total administered income	2 089	1 200	-	7 256	2 089	8 456
Administered expenses						
Grants, subsidies and client payments	2 089	1 200	-	7 256	2 089	8 456
Total administered expenses	2 089	1 200	-	7 256	2 089	8 456
Net result	-	-	-	-	-	-

Homelessness Social Impact Bond

The South Australian Government has undertaken a Social Impact Bond project in the area of Homelessness in South Australia. A Social Impact Bond is a financial arrangement that pays a return to private investors based on achievement of agreed social outcomes. Under a Social Impact Bond, an investor provides upfront funds to a partner (non-government organisation or intermediary) to provide services to government that will, if successful, reduce future costs to government through improved social outcomes in the relevant area. The control of these funds and administration is specified in the *Social Impact Bond Program Deed 2017 between the Minister for Social Housing and SVA Nominees Pty Ltd as trustee of the Aspire Social Impact Bond Trust and the Deed of Direct Agreement between the Minister for Social Housing and Hutt Street Centre*. State funds are grant funded to the Service Provider to manage the project and deliver outcomes.

HomeStart Community Service Obligations

HomeStart's requirement to undertake Community Service Obligations are set out in regulation 6(1)(a) of the *Housing and Urban Development (Administrative Arrangements) (HomeStart Finance) Regulations 2007* which permits HomeStart to provide housing finance on concessional or special terms.

The Trust previously administered the payment that the Government provides to HomeStart in recognition of the cost of the following non-commercial activities in providing housing finance on concessional or special terms:

- Acceptance of non-commercial credit risk
- Advantage Loan program
- Nunga Loan program
- Contribution to achieve required return to equity, where necessary

This administrative arrangement is no longer the responsibility of the Trust and is now the responsibility of the Department of Treasury and Finance from 1 July 2020.